

**SECOND SUPPLEMENT DATED MAY __, 2009
TO
AMENDED AND RESTATED INTERLOCAL AGREEMENT
RELATING TO THE FINANCING OF
THE PROPOSED SPORTS AND BASKETBALL ARENA
TO BE FINANCED BY
THE MEMPHIS AND SHELBY COUNTY SPORTS AUTHORITY, INC.**

THIS SECOND SUPPLEMENT TO AMENDED AND RESTATED INTERLOCAL AGREEMENT RELATING TO THE FINANCING OF THE PROPOSED SPORTS AND BASKETBALL ARENA TO BE FINANCED BY THE MEMPHIS AND SHELBY COUNTY SPORTS AUTHORITY, INC. (the "Second Supplement"), dated May __, 2009 by and among Shelby County, Tennessee, a county of the State of Tennessee (the "County"), the City of Memphis, Tennessee (the "City") and The Memphis and Shelby County Sports Authority, Inc. (the "Authority").

WHEREAS, in connection with the Authority's Revenue Bonds, 2002 Series A (Memphis Arena Project) and Revenue Bonds, 2002 Series B (Memphis Arena Project) (collectively, the "2002 Senior Lien Bonds") issued to finance the cost of acquisition, construction, and equipping of a new multipurpose arena (the "Project") to accommodate a National Basketball Association Franchise known as the "Grizzlies" and other sports, entertainment and civic events, the Authority, the County and the City entered into an "Amended and Restated Interlocal Agreement Relating to the Financing of the Proposed Sports and Basketball Arena to be Financed by the Memphis and Shelby County Sports Authority, Inc.", dated May 15, 2002 (the "Original Agreement" and together with this Supplement, the "Agreement"), which, *inter alia*, pledged certain "Revenues" to the 2002 Senior Lien Bonds and other subordinate obligations as contemplated by the Original Agreement, as well as provided the City's and County's commitments relative to the "Senior Debt Service Reserve Fund Replenishment Obligation" as described in the Original Agreement; and

WHEREAS, on April 3, 2007 the Authority issued its Variable Rate Demand Revenue Bonds, 2007 Series A and 2007 Series B and Revenue Refunding Bonds, 2007 Series C and 2007 Series D (collectively, the "2007 Senior Lien Revenue Refunding Bonds") to refund a portion of the 2002 Senior Lien Bonds; and

WHEREAS, pursuant to the provisions of Section 7-67-116 of the Tennessee Code Annotated, the City and the County believe it is in the best interests of the citizens of the City of Memphis and Shelby County, Tennessee to confirm that certain Revenues are pledged to the Authority to support its issuance of revenue refunding bonds (the "2009 Senior Lien Revenue Refunding Bonds") for the purposes of refunding all or a portion of the 2007 Senior Lien Revenue Refunding Bonds, financing termination payments of interest rate swaps related to 2007 Senior Lien Revenue Refunding Bonds, and paying costs of issuance, and in furtherance of the foregoing, the City, the County and the Authority desire to enter into this Supplement to the Original Agreement; and

WHEREAS, the County, the City and the Authority desire to supplement the Original Agreement to confirm that the Senior Debt Service Reserve Fund Replenishment Obligation under the Agreement includes replenishment of any draws on the Senior Debt Service Reserve Fund to pay principal of and interest on the 2002 Senior Lien Revenue Bonds, the 2007 Senior Lien Revenue Refunding Bonds, the 2009 Senior Lien Revenue Refunding Bonds and any payments under any related interest rate swap agreement (exclusive of any termination payment or other penalties thereunder) (collectively, the "Senior Lien Obligations"); and

WHEREAS, depending on prevailing market conditions, the Authority may determine to issue its 2009 Senior Lien Revenue Refunding Bonds in separate series and at different times.

NOW, THEREFORE, the parties hereto agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Original Agreement, as supplemented.
2. All references in the Agreement to the Senior Lien Revenue Bonds shall be deemed to include the 2009 Senior Lien Revenue Refunding Bonds.
3. All references to "Senior Lien Indenture" shall be deemed to refer to that certain Trust Indenture by and between the Authority and Wachovia Bank, National Association, as Trustee dated as of May 1, 2002, as amended and supplemented, including to authorize the issuance of the 2009 Senior Lien Revenue Refunding Bonds.
4. Senior Debt Service Reserve Fund Replenishment Obligation shall also be deemed to include draws on the Senior Debt Service Reserve Fund with respect to payment of the Senior Lien Obligations.
5. The 2009 Senior Lien Revenue Refunding Bonds may be issued in separate series and at separate times.
6. In all other respects the City, the County and the Authority hereby confirm the provisions of the Original Agreement, as supplemented August 10, 2004.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplement to be duly executed and delivered by their respective officials thereunto duly authorized as of the date first written above.

SHELBY COUNTY, TENNESSE

APPROVED as to Form:

By: _____
Mayor

County Attorney

CITY OF MEMPHIS, TENNESSEE

APPROVED as to Form:

By: _____
Mayor

City Attorney

THE MEMPHIS AND SHELBY COUNTY
SPORTS AUTHORITY, INC.

APPROVED as to Form

By: _____
Chairman

By: _____
Counsel for the Authority